

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th St. SW
Washington, DC 20554

In the Matter of:)
San Bernardino City USD BEN 143740)
Appeal)

Appeal of: Denial of USAC Appeal for) **CC Docket No. 02-6**
“Improperly Disbursed Funds Recovery” Letter)
.)
Form 471 Application No. 536567)
Funding Request Number: 1484692)

APPEAL of Decision

July 31, 2015

Appellant:

Checkpoint Communications Inc. SPIN 143006793

Filed By:

Gary Kendrick, Partner
The Kendrick Group, LLC.
PO Box 1329
Pelham, AL 35124-5329

Voice: 1-800-970-3270 ext. 101

Fax: 1-800-613-6638

Email: kendrick@educationrate.com

Dear Madam Secretary:

On April 21, 2015, Universal Services Administrative Company (USAC) issued a ruling against San Bernardino City Unified School District (Applicant) BEN: 143740, Form 471 Application Number: 603185, Funding Request Number: 1756315. Funding was rescinded and ordered to be returned, in full, by the Applicant. The reason USAC stated was, “...*failed to provide a bona fide request for service.*”ⁱ

USAC’s ruling effectively struck down the 2006 Bid: 32-05 from Form 470: 594690000549376.

On June 3, 2015, USAC issued a denial of our appealⁱⁱ where we requested USAC to comply with FCC rules and rescind all funding dispersed under the now illegal Bid 32-05 and Form 470. Form 470: 594690000549376 was the foundation for Internal Connections used in the Form 471 Applications and Funding Request Numbers in Table 1 below.

Table 1

Year	Form 470	Form 471	FRN	Amt. Funded	Amt. Dispersed
2006	594690000549376	536567	1484692	\$3,081,111.91	\$2,008,854.49
2007	594690000549376	562895	1578852	\$3,908,442.05	\$2,813,647.87
2008	594690000549376	603185	1756315	Rescinded 4-21-2015	\$56,241.77
2008	594690000549376	603185	2083681	\$0.00	\$2,084,616.99
2009	594690000549376	693807	1911581	Cancelled	\$0.00
2009	594690000549376	660853	1860269	\$0.00	\$0.00
2010	594690000549376	758204	2048984	\$0.00	\$0.00
2011	N/A	N/A	N/A	N/A	N/A

In total, there is \$6,963,361.12 of disbursed funding based off the Applicant’s illegal Bid, which used four sample sites, that was ruled to have “*violated the FCCs requirements for fair and open competitive bidding process.*”

The petition we bring before the FCC directly involves nearly 7 million dollars outstanding, in what is now improperly disbursed funds. According to FCC rules, USAC is required to rescind such commitments and recover funding. FCC 99-291ⁱⁱⁱ, “*We, therefore, direct USAC, pursuant to sections 54.702 and 54.705 of the Commission’s rules, and with close Commission oversight, to adjust funding commitments made to schools and libraries where disbursement of funds associated with those commitments would result in violations of a federal statute.*”

We appealed to USAC requesting that they expand their ruling on FRN: 1756315, whereby USAC struck down Bid 32-05 and Form 470: 594690000549376. All Funding Request Numbers listed in Table 1 derived from Form 470: 594690000549376 are now in violation of program rules and their funding are now all improperly disbursed. FRN: 1756315, alone, comprises only eight tenths of one percent of improperly disbursed funds.

We hereby petition the Commission to declare improper, all funding derived from the now illegal Bid 32-05 and Funding Request Number's listed in Table 1, and to order USAC to rescind these commitments and recover all funding.

Sincerely,



Gary Kendrick

The Kendrick Group, LLC.
P.O. Box 1329
Pelham, AL 35124-5329

USAC CRN No. 16043626

Phone : (800) 970-3270 ext. 101
Fax : (800) 613-6638
Email : kendrick@educationrate.com

Attachments

ⁱ April 21, 2015 COMAD letter to San Bernardino City Unified School District

ⁱⁱ June 3, 2015 Denial of appeal from USAC

ⁱⁱⁱ FCC 99-291

Letter of Agency



CHECKPOINT
communications incorporated

15412 Electronic Lane, Suite 102
Huntington Beach, CA 92649

Tel 714-892-5050
www.checkpointcomm.com

Fax 714-892-9589
License #545063

May 13, 2015

Dear Sir or Madam:

This letter is to confirm that The Kendrick Group, LLC. is authorized to act as the agent for the Checkpoint Communication, Inc., Billed Entity Number 143006793, in regards to Form 471 applications 603185, 562895 and 536567 or any other USAC application documents involving San Bernardino City Unified School District, Billed Entity Number 143740.

This authorization is for the period of 12 months or until final resolution of USAC issues regarding these applications.

Sincerely,

Name James Shoaff
Title Vice President

ENDNOTE 1

James Shoaff
Checkpoint Communications Inc.
15412 Electronic Lane Ste 102
Huntington Beach, CA 92649

Notification of Commitment Adjustment Letter

Funding Year 2008: July 1, 2008 - June 30, 2009

April 21, 2015

Dilip Patel
SAN BERNARDINO CITY UNIF S D
793 N E Street
San Bernardino, CA 92410

Re: Form 471 Application Number:	603185
Funding Year:	2008
Applicant's Form Identifier:	SBCUSD471Y11P2
Billed Entity Number:	143740
FCC Registration Number:	0004119814
SPIN:	143006793
Service Provider Name:	Checkpoint Communications Inc.
Service Provider Contact Person:	James Shoaff

Our routine review of Schools and Libraries Program (Program) funding commitments has revealed certain applications where funds were committed in violation of Program rules.

In order to be sure that no funds are used in violation of Program rules, the Universal Service Administrative Company (USAC) must now adjust your overall funding commitment. The purpose of this letter is to make the required adjustments to your funding commitment, and to give you an opportunity to appeal this decision. USAC has determined the applicant is responsible for all or some of the violations. Therefore, the applicant is responsible to repay all or some of the funds disbursed in error (if any).

This is NOT a bill. If recovery of disbursed funds is required, the next step in the recovery process is for USAC to issue you a Demand Payment Letter. The balance of the debt will be due within 30 days of that letter. Failure to pay the debt within 30 days from the date of the Demand Payment Letter could result in interest, late payment fees, administrative charges and implementation of the "Red Light Rule." The FCC's Red Light Rule requires USAC to dismiss pending FCC Form 471 applications if the entity responsible for paying the outstanding debt has not paid the debt, or otherwise made satisfactory arrangements to pay the debt within 30 days of the notice provided by USAC. For more information on the Red Light Rule, please see "Red Light Frequently Asked Questions (FAQs)" posted on the FCC website at http://www.fcc.gov/debt_collection/faq.html.

TO APPEAL THIS DECISION:

If you wish to appeal the Commitment Adjustment Decision indicated in this letter to USAC, your appeal must be received or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and email address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify the date of the Notification of Commitment Adjustment Letter and the Funding Request Number(s) (FRNs) you are appealing. Your letter of appeal must include the
 - Billed Entity Name,
 - Form 471 Application Number,
 - Billed Entity Number, and
 - FCC Registration Number (FCC RN) from the top of your letter.
3. When explaining your appeal, copy the language or text from the Notification of Commitment Adjustment Letter that is the subject of your appeal to allow USAC to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal including any correspondence and documentation.
4. If you are an applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are a service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
5. Provide an authorized signature on your letter of appeal.

We strongly recommend that you use one of the electronic filing options. To submit your appeal to USAC by email, email your appeal to appeals@sl.universalservice.org or submit your appeal electronically by using the "Submit a Question" feature on the USAC website. USAC will automatically reply to incoming emails to confirm receipt.

To submit your appeal to us by fax, fax your appeal to (973) 599-6542.

To submit your appeal to us on paper, send your appeal to:

Letter of Appeal
Schools and Libraries Division - Correspondence Unit
30 Lanidex Plaza West
PO Box 685
Parsippany, NJ 07054-0685

For more information on submitting an appeal to USAC, please see "Appeals" in the "Schools and Libraries" section of the USAC website.

FUNDING COMMITMENT ADJUSTMENT REPORT

On the pages following this letter, we have provided a Funding Commitment Adjustment Report (Report) for the Form 471 application cited above. The enclosed Report includes the Funding Request Number(s) from your application for which adjustments are necessary. See the "Guide to USAC Letter Reports" posted at <http://usac.org/sl/tools/reference/guide-usac-letter-reports.aspx> for more information on each of the fields in the Report. USAC is also sending this information to your service provider(s) for informational purposes. If USAC has determined the service provider is also responsible for any rule violation on the FRN(s), a separate letter will be sent to the service provider detailing the necessary service provider action.

Note that if the Funds Disbursed to Date amount is less than the Adjusted Funding Commitment amount, USAC will continue to process properly filed invoices up to the Adjusted Funding Commitment amount. Review the Funding Commitment Adjustment Explanation in the attached Report for an explanation of the reduction to the commitment(s). Please ensure that any invoices that you or your service provider(s) submits to USAC are consistent with Program rules as indicated in the Funding Commitment Adjustment Explanation. If the Funds Disbursed to Date amount exceeds your Adjusted Funding Commitment amount, USAC will have to recover some or all of the disbursed funds. The Report explains the exact amount (if any) the applicant is responsible for repaying.

Schools and Libraries Division
Universal Services Administrative Company

cc: James Shoaff
Checkpoint Communications Inc.

Funding Commitment Adjustment Report for
Form 471 Application Number: 603185

Funding Request Number:	1756315
Services Ordered:	INTERNAL CONNECTIONS
SPIN:	143006793
Service Provider Name:	Checkpoint Communications Inc.
Contract Number:	32-05
Billing Account Number:	
Site Identifier:	143740
Original Funding Commitment:	\$176,000.00
Commitment Adjustment Amount:	\$176,000.00
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$56,241.77
Funds to be Recovered from Applicant:	\$56,241.77
Funding Commitment Adjustment Explanation:	

After multiple requests for documentation and application review, it has been determined that this funding commitment must be rescinded in full. The applicant failed to comply with the FCCs competitive bidding requirements. E-rate program rules require a competitive bidding process where an applicant chooses a service provider only after defining all of the specific services eligible for support at each eligible entity. Only by doing so can applicants ensure that they are receiving the most cost-effective services because bidders have sufficient information to determine exact bid prices. Applicants are required to provide bona fide requests for service, so that potential providers can provide accurate bids. The FCC elaborated on the meaning of bona fide in the Universal Service Order, where it stated that Congress intended to require accountability on the part of schools and libraries, which should therefore be required to (1) conduct internal assessments of the components necessary to use effectively the discounted services they order; (2) submit complete description of services they seek so that it may be posted for competing providers to evaluate. In this instance, you defined the scope of the services in the RFP using four sample sites as a representation of the remaining 77 sites at the district. You stated that those four sites represented the worst case scenarios for an elementary, middle, high school and administrative building. You also stated that these sample sites represented the largest diversity of installation services, and that the district did not have the resources to determine their exact needs up front. Because you used these sample locations, you did not specify the actual quantities of products/services needed for each site. Further, because the models were worst case scenarios, an extrapolation of these sites would lead to overstatement of the needs of the district and does not meet the requirement for a complete and accurate description of the services sought. Because you failed to provide a bona fide request for services, service providers could not provide accurate bids and you violated the FCCs requirements for fair and open competitive bidding process. Your funding commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant.

ENDNOTE 2

Gary Kendrick
The Kendrick Group, LLC
1429 Stoneykirk Rd.
Pelham, AL 35124

Billed Entity Number: 143740
Form 471 Application Number: 603185
Form 486 Application Number:



Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal – Funding Year 2008-2009

June 03, 2015

James Shoaff
Checkpoint Communication Inc.
15412 Electronic Lane
Ste. 102
Huntington Beach, CA 92604

Re: Applicant Name: SAN BERNARDINO CITY UNIF S D
Billed Entity Number: 143740
Form 471 Application Number: 603185
Funding Request Number(s): 1756315
Your Correspondence Dated: May 22, 2015

After thorough review and investigation of all relevant facts, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has made its decision in regard to your appeal of USAC's Funding Year 2008 Notification of Commitment Adjustment Letter for the Application Number indicated above. This letter explains the basis of USAC's decision. The date of this letter begins the 60 day time period for appealing this decision. If your Letter of Appeal included more than one Application Number, please note that you will receive a separate letter for each application.

Funding Request Number(s): 1756315
Decision on Appeal: **Denied**
Explanation:

- The record shows that the above listed funding request was rescinded in full because the applicant failed to comply with the FCC's competitive bidding requirements. The Applicant was required to provide bona fide requests for service, so that potential providers can provide accurate bids. In this instance, the Applicant defined the scope of the services in the RFP using four sample sites as a representation of the remaining 77 sites at the district. They stated that those four sites represented the worst case scenarios for an elementary, middle, high school and administrative building. The Applicant also stated that these sample sites represented the largest diversity of installation services, and that the district did not have the resources to determine their exact needs up front. Because they used these sample locations, and did not specify the actual quantities of

fy 2008

products/services needed for each site. Further because the models were worst case scenarios, an extrapolation of these sites would lead to overstatement of the needs of the district and does not meet the requirement for a complete and accurate description of the services sought. Because the Applicant failed to provide a bona fide request for services, the service providers could not provide accurate bids and violated the FCCs requirements for fair and open competitive bidding process. Therefore funding commitment was rescinded in full. USAC will seek to recover any disbursed funds due to the fact that the original violation is not cured. Consequently, your appeal is denied.

Since your appeal was denied in full, dismissed or cancelled, you may file an appeal with the FCC. Your appeal must be postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found under the Reference Area/"Appeals" of the SLD section of the USAC website or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

We thank you for your continued support, patience and cooperation during the appeal process.

Schools and Libraries Division
Universal Service Administrative Company

ENDNOTE 3

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matters of)	
)	
Changes to the Board of)	CC Docket No. 97-21
Directors of the National Exchange)	
Carrier Association, Inc.)	
)	
Federal-State Joint Board on)	CC Docket No. 96-45
Universal Service)	
)	

ORDER

Adopted: October 8, 1999

Released: October 8, 1999

By the Commission:

I. INTRODUCTION

1. In this Order, as discussed below, we direct the Administrator of the universal service support mechanisms (the Universal Service Administrative Company or USAC) to adjust certain commitments of discount funding that were made to schools and libraries because the funding of such applications would violate a federal statute. Specifically, we direct USAC to adjust such commitments by: (1) canceling all or any part of a commitment to fund discounts for ineligible services or the provision of telecommunications services by non-telecommunications carriers; and (2) denying payment of any requests by providers for compensation for discounts provided on such services. Further, we direct USAC to submit an implementation plan, for Commission approval, outlining its proposals for pursuing collection of any actual discount funding that has been awarded to service providers serving such applicants.

II. BACKGROUND

2. Pursuant to Commission rules, USAC is responsible for “billing contributors, collecting contributions to the universal service support mechanisms, and disbursing universal service support funds.”¹ The Commission’s rules, however, do not address directly the obligations and procedures in connection with the commitment or disbursement of funds subsequently found not to comply with applicable law. As this is a situation “where the Act or the Commission’s rules are unclear, or do not address a particular situation,” USAC seeks guidance from the Commission, as provided by Commission rules.²

¹ 47 C.F.R. § 54.702(b).

² 47 C.F.R. § 54.702(c).

3. USAC, through standard audit and review processes, discovered that it committed discount funding to a small number of year one applicants for universal service discounts who failed to satisfy the requirements of the Communications Act of 1934, as amended (the Act). USAC identified the affected applications as part of its internal post-commitment management review of applications. In addition, USAC contracted with independent auditors for reviews of its internal controls and, during the course of one of those reviews, USAC further defined and quantified affected applications.

4. In particular, USAC discovered applications in two general categories where disbursement of funds for these applications would violate the Act:³ (1) applications seeking discounts for ineligible services;⁴ and (2) applications seeking discounts for telecommunications services to be provided by non-telecommunications carriers.⁵ More specifically, first, in establishing the universal service support mechanism for schools and libraries, the Act requires that only those services within the definition of “universal service” be provided at discounted rates,⁶ and that the Commission establish rules to enhance school and library access to advanced telecommunications and information services.⁷ In its implementation of these statutory provisions, the Commission defined the services within the definition of “universal service” for schools and libraries as all commercially available telecommunications services,⁸ Internet access, and internal connections.⁹ USAC has discovered that it committed funds to a small number of applications that sought discounts on ineligible services – that is, those services that do not meet the criteria for universal service designation. As of September 27, 1999, USAC estimated that it had committed approximately \$970,000 to 33 applications requesting ineligible services.¹⁰

³ We note that USAC discovered additional applications where disbursement of funds for these applications would violate certain Commission rules and USAC procedures. These violations are addressed in the Commission’s companion Order to this Order, *Changes to the Board of Directors of the National Exchange Carrier Association, Inc., Federal-State Joint Board on Universal Service*, CC Docket Nos. 97-21 and 96-45, Order, FCC 99-292, (rel. October 8, 1999).

⁴ See *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776, 9002 (1997), as corrected by *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Erratum, FCC 97-157 (rel. June 4, 1997), *aff’d in part, rev’d in part, remanded in part sub nom Texas Office of Public Utility Counsel v. FCC*, 183 F.3d 393 (5th Cir. 1999) (*Universal Service Order*).

⁵ 47 U.S.C. § 254(h)(1)(B).

⁶ 47 U.S.C. § 254(h)(1)(B).

⁷ 47 U.S.C. § 254(h)(2)(A).

⁸ 47 C.F.R. § 54.502.

⁹ 47 C.F.R. § 54.503.

¹⁰ See Letter from D. Scott Barash, Vice President and General Counsel, USAC, to Magalie Roman Salas, Secretary, Federal Communications Commission, dated October 8, 1999 (USAC October 8 Letter).

5. Second, the Act also requires that telecommunications services provided at discounted rates to schools and libraries shall be provided by telecommunications carriers.¹¹ USAC has discovered it committed funds, in violation of the Act, to a small number of applications that sought discounts for telecommunications services provided by non-telecommunications carriers. As of September 27, 1999, USAC estimated that it had committed approximately \$1.7 million to 99 applications requesting telecommunications services provided by non-telecommunications carriers.¹²

6. These funds amount to less than one fifth of one percent of the total funding awarded in year one of the program.¹³ Upon discovery of statutory violations, USAC instituted both information systems checks and manual review processes that will decrease significantly the instances of undetected violations in future funding years. For example, USAC has implemented rigorous screening procedures for all applications, including putting in place an additional special reviewing team.

III. DISCUSSION

7. *Repayment obligation.* In the circumstances outlined above, the law requires us to seek repayment of erroneously disbursed funds. Indeed, Supreme Court precedent prohibits the disbursement of funds without statutory authorization.¹⁴ Although prior authority involved disbursements from the Treasury rather than, as here, a Congressionally authorized fund, we “cannot grant . . . a money remedy that Congress has not authorized” by permitting the funding of discounts for ineligible services or the provision of telecommunications services by non-telecommunications carriers.¹⁵ In any event, even in contexts not involving payments from the Treasury, it is clear that only in extreme circumstances could an agent, such as USAC, bind the government – here the FCC – to actions that violate a federal statute.¹⁶ We, therefore, direct USAC, pursuant to sections 54.702 and 54.705 of the Commission’s rules, and with close Commission oversight, to adjust funding commitments made to schools and libraries where

¹¹ 47 U.S.C. § 254(h)(1)(B). The Act’s definition of a “telecommunications carrier” mirrors the common law definition of a “common carrier.” 47 U.S.C. § 153(44). Thus, in the May 8, 1997, *Universal Service Order*, the Commission determined that the term “telecommunications services” encompasses only telecommunications provided on a common carrier basis. *Universal Service Order* at 9177-78.

¹² See USAC October 8 Letter.

¹³ In the first funding year, USAC committed \$1.7 billion in funding for the schools and libraries program. Of this amount, approximately \$2.7 million was committed in violation of the Act. Thus, \$2.7 million in commitments that constitute statutory violations divided by a total commitment of \$1.7 billion is equal to .0016 or an error rate of .16%.

¹⁴ See *OPM v. City of Richmond*, 496 U.S. 414, 424 (1990).

¹⁵ 496 U.S. at 426.

¹⁶ 496 U.S. at 434.

disbursement of funds associated with those commitments would result in violations of a federal statute.

8. We will seek repayment from service providers rather than schools and libraries because, unlike schools and libraries that receive discounted services, service providers actually receive disbursements of funds from the universal service support mechanism. Specifically, we direct USAC to adjust such commitments and seek repayment of funds by: (1) canceling all or any part of a commitment to fund discounts for ineligible services or the provision of telecommunications services by non-telecommunications carriers; and (2) denying payment of any requests by service providers for compensation for discounts provided on such services.

9. *Repayment options.* We also authorize USAC, pursuant to sections 54.702¹⁷ and 54.705¹⁸ of the Commission's rules, with close Commission oversight and after Commission review of USAC's implementation plan discussed below, to pursue collection of any disbursements that have been awarded to service providers serving such applicants. Section 1.1911 of the Commission's rules both requires and authorizes the Commission to collect debts owed to the United States for which it is responsible,¹⁹ and section 1.1912 authorizes the Commission to offset debts where an administrative offset would be feasible and in accordance with the Commission's applicable rules.²⁰ Administrative offset is one of several remedies available to the Commission for collecting debts. It means "withholding funds payable by the United States to, . . . or held by the United States for, a person to satisfy a claim."²¹ It could apply, for example, to funds payable under the universal service support mechanism for schools and libraries to a service provider pursuant to a valid funding commitment.

10. As discussed above, once USAC determines, subject to Commission concurrence, that a particular amount has been disbursed which is not authorized by a federal statute, it is a claim that must be collected under Commission rules and the Debt Collection Improvement Act (DCIA).²² We, therefore, direct USAC to present an implementation plan for the Commission's approval identifying the specific amounts of schools and libraries discount funds that were disbursed in error and proposing methods for their collection. We also direct USAC to include in its implementation plan proposals, subject to the Commission's approval, for collecting those debts and

¹⁷ 47 C.F.R. § 54.702.

¹⁸ 47 C.F.R. § 54.705.

¹⁹ 47 C.F.R. § 1.1911.

²⁰ 47 C.F.R. § 1.1912.

²¹ 31 U.S.C. § 3701(a).

²² 31 U.S.C. §§ 3701 et seq., 47 C.F.R. §§ 1.1901 et seq. Section 1.1911 of the Commission's rules both requires and authorizes the Commission to collect debts owed to the United States for which it is responsible, and section 1.1912 authorizes the Commission to offset debts where an offset would be feasible and in accordance with the Commission's applicable rules. 47 C.F.R. §§ 1.1911, 1.1912.

identifying those instances where an offset would be feasible and in accordance with all applicable Commission rules and the DCIA.

IV. CONCLUSION

11. We direct USAC to adjust commitments of discount funding made to schools and libraries that filed applications for discount funding, the disbursement of which would violate a federal statute. We also direct USAC to submit, within 14 days of release of this Order, an implementation plan, for Commission approval, regarding USAC's proposal for the collection of any actual discount funding that has been awarded to service providers in violation of a federal statute, as discussed above.

VI. ORDERING CLAUSES

12. Accordingly, IT IS ORDERED that, pursuant to the authority contained in sections 1-4, 201-205, 254, and 303(r) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151-154, 201-205, 254, and 303(r), this Order in CC Docket Nos. 96-45 and 97-21 IS ADOPTED.

13. IT IS FURTHER ORDERED that the Universal Service Administrative Company MUST SUBMIT, within 14 days of release of this Order, an implementation plan for Commission approval, as described herein.

FEDERAL COMMUNICATIONS COMMISSION

Magalie Roman Salas
Secretary